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September 26, 2024

VIA ECF

The Honorable Nicholas G. Garaufis  
United States District Court  
Eastern District of New York  
United States Courthouse  
225 Cadman Plaza East, Room 1426 S  
Brooklyn, NY 11201

Re: *In re Virtu Financial, Inc. Securities Litigation*,  
No. 1:23-cv-03770-NGG (E.D.N.Y.)

Dear Judge Garaufis:

We represent Lead Plaintiff in this action and write to apprise the Court of a new development that came to light following the September 13, 2024 oral argument on Defendants' motion to dismiss the Consolidated Complaint. On September 16, Virtu and its subsidiary Virtu Americas LLC ("VAM") filed an answer to the SEC's amended complaint in the related SEC Action. *See* Answer to Amended Complaint, *SEC v. Virtu Financial, Inc. et al.*, 1:23-cv-08072-JGK (S.D.N.Y.), ECF No. 51. Critically, in the Answer, Virtu "**admits**" that VAM "**identified**" the problem with the FS Database "**in or around August 2018**" – *i.e.*, three months **before** the start of the putative class period in this case. *Id.* ¶5.<sup>1</sup>

Before making this admission, Virtu had only vaguely asserted that "Virtu became aware of the FS Database Issue and rectified it in April 2019," ECF No. 44-1 at 1 – with no specificity as to **when** Virtu had become aware of the issue. As such, while Lead Plaintiff previously argued that corporate scienter is conceded as of April 2019, *see* ECF No. 44-23 at 25; Hearing Transcript, dated September 13, 2024 ("Hr'g Tr.") at 70:25-71:7, this new admission confirms Virtu's knowledge for the **entirety** of the putative Class Period.

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<sup>1</sup> "Virtu Financial is a holding company that conducts its business through its operating subsidiaries." *See* Virtu Financial, Inc., Form S-1 (Feb. 20, 2015), <https://www.sec.gov/Archives/edgar/data/1592386/000104746915001003/a2219372zs-1a.htm> at 79. VAM is Virtu's operating subsidiary for its Americas equities business, ECF No. 39 at ¶45, and is the "subsidiary that is at the center of the alleged fraud." *In re Grupo Televisa Sec. Litig.*, 368 F. Supp. 3d 711, 722 (S.D.N.Y. 2019) ("[A] subsidiary's [] scienter may be imputed to the parent company [], particularly where the subsidiary is at the center of the alleged fraud.").

The Honorable Nicholas G. Garaufis  
September 26, 2024  
Page 2

Moreover, this admission undermines Defendants’ argument that, despite the cited emails in which employees discussed the FS Database problem during 2018, this Court could not necessarily “infer knowledge to the company because these junior people knew [about] it.” Hr’g Tr. at 38:17-23. As the Company now expressly admits that knowledge, no such inference is even necessary.

We thank the Court for its attention to this matter.

Respectfully submitted,

*/s/ Robert D. Gerson*

Robert D. Gerson

cc: All Counsel of Record (via ECF)